

Exhibit DD to the Cisneros  
Declaration, Revised Version –  
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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

IN RE: HIGH-TECH EMPLOYEE )  
ANTITRUST LITIGATION )  
 ) No. 11-CV-2509-LHK  
THIS DOCUMENT RELATES TO: )  
ALL ACTIONS. )

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VIDEO DEPOSITION OF FRANK WAGNER  
HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY  
March 7, 2013

Reported by: Anne Torreano, CSR No. 10520

1 Q. Okay. And so sitting here today in 2013, your  
2 responsibility really is director of the comp team with  
3 the duty for employee compensation programs.

4 Is that the current --

10:26:37 5 A. I think that --

6 Q. -- scope?

7 A. -- that would be an accurate representation,  
8 yes.

9 Q. Okay. Starting in the 2007 time period when  
10:26:54 10 you joined, in terms of your -- please describe what  
11 you did in terms of running or having responsibility  
12 for the employee compensation programs.

13 MR. RUBIN: Objection. Vague.

14 THE WITNESS: So I can continue to answer  
10:27:11 15 that?

16 MS. DERMODY: Yeah.

17 THE WITNESS: Okay.

18 MR. RUBIN: Always, unless I tell you not to.

19 THE WITNESS: Okay. Good. Thank you. Thank  
10:27:17 20 you.

21 So I can give you a brief summary. So it  
22 would include running our regular compensation  
23 programs. So we have a -- an annual merit cycle and a  
24 bonus-planning cycle, an equity refresh or annual grant  
10:27:37 25 cycle. It included any competitive analysis that the

1 team did. So what we call benchmarking in the  
2 compensation field.

3 It call -- it also included the approval of  
4 all offers that were to external candidates. At the  
10:28:02 5 time it also included running our quarterly performance  
6 management program in that -- in terms of opening up a  
7 tool into which performance ratings were placed and  
8 then summarizing and doing analysis that resulted.

9 It would include running our sales  
10:28:20 10 compensation design efforts. So the sales bonus  
11 program that applies to folks on our quarterly sales  
12 plan.

13 And it would -- it included at the time the  
14 preparation of materials for our leadership development  
10:28:40 15 and compensation committee, which we refer to as --  
16 "LDCC" is the acronym, and producing those materials  
17 and participating or sitting in the meetings as it was  
18 presented to the committee.

19 BY MS. DERMODY:

10:28:56 20 Q. Anything else?

21 A. It would have included things related to  
22 compensation policies, for example, like, for example,  
23 how is compensation treated when somebody transfers  
24 from Country A to Country B or Job A to Job B.

10:29:17 25 There were -- there's a -- there are probably

1 a variety of things on a day-to-day basis that would  
2 come up that I'm probably not remembering off the top  
3 of my head, but there's a variety of things that relate  
4 to that.

10:29:34 5 Q. Okay. In terms of the major responsibilities,  
6 does that pretty much cover it?

7 A. To the best of my recollection, yes.

8 Q. Okay. And have those responsibilities changed  
9 since that time, or are you covering the same ground  
10:29:51 10 that you just described?

11 A. With the exception of running the performance  
12 management process and running the executive  
13 compensation activities, pretty much the same. And  
14 then since that time, since I started, we have a  
10:30:11 15 process set up in place for counteroffers, and that  
16 would be included in my current remit.

17 Q. And if you could place in time a day when the  
18 counteroffer initiative was added to your scope of  
19 duties or responsibility, when would that be?

10:30:33 20 A. Well, I think that it was arguably -- I don't  
21 recall the first specific time of a counteroffer that  
22 came up and then -- but it was probably sometime during  
23 2007.

24 And then at some time thereafter, and I can't  
10:30:50 25 recall the specific date, it might have been in 2007,

1 it could have been early 2008, we actually set up a  
2 regular process so -- in order to ensure that we were  
3 doing things in a rapid fashion.

4 Q. Let me ask you about a couple of these areas  
10:31:11 5 that you just described to make sure I understand what  
6 would be involved in them.

7 You mentioned having some responsibility over  
8 equity refresh?

9 A. Yes.

10:31:19 10 Q. Did I get that correct?

11 A. Yes.

12 Q. What is that?

13 A. Equity refresh at Google is our annual  
14 employee stock grant.

10:31:31 15 Q. And what was your responsibility with respect  
16 to that?

17 A. Broadly it would be that my team developed the  
18 guidelines that managers will use to make judgments, or  
19 planners. Usually it was very senior managers and  
10:31:56 20 executives that made those decisions. And then we  
21 would run the process.

22 So going out to the planners, issuing them the  
23 tool, doing the analysis when things came back, and  
24 ensuring, once we got the final judgments of the  
10:32:09 25 leaders who made decisions about equity grants, that

1 they were forwarded and granted.

2 So we ran the granting process or compiled the  
3 list and analysis related to the granting process.

4 Q. Okay. And you mentioned the annual grant  
10:32:26 5 cycle. Is that all part of the equity refresh?

6 A. We had -- yes.

7 Q. Okay. What was the competitive analysis that  
8 you were doing?

9 A. Related to equity?

10:32:41 10 Q. Related to compensation.

11 A. So my team looks at -- did and continues to  
12 look at jobs for Google. We benchmark all jobs, or as  
13 many jobs as possible, to the competitive marketplace.  
14 We benchmark over 10,000 individual combinations of job  
10:33:09 15 families and levels to surveys, and we produce -- we  
16 look at obtaining a competitive target based off our  
17 compensation philosophy for our salaries, for total  
18 cash and also for equity.

19 Q. And is that work connected to developing  
10:33:33 20 salary bands for different positions?

21 MR. RUBIN: Objection. Lacks foundation.

22 THE WITNESS: That work is related to  
23 developing our market targets, and we have approximate  
24 ranges for salaries around that. And those ranges are  
10:33:56 25 guideposts or guidelines.

1 But planners, when they make decisions about  
2 compensation, could actually go above the top of the  
3 band, or when we bring folks in as new hires for  
4 various circumstances, they could actually go below the  
10:34:13 5 bottom of the band, or the range, if you would, the  
6 minimum.

7 BY MS. DERMODY:

8 Q. And what is the process if a planner wants to  
9 bring in someone outside the range?

10:34:23 10 A. So you mean we have a job offer for a new  
11 candidate or new external candidate?

12 Q. Sure. We'll start with that.

13 A. Generally what we would attempt to do is --  
14 and you're speaking of salaries?

10:34:39 15 Q. Yes.

16 A. Right.

17 Well, it's important to recognize that we look  
18 at it on a total compensation picture and not just on  
19 salaries. So we try to ensure our total compensation  
10:34:50 20 package exceeds what that individual has at their prior  
21 employer.

22 It is our preference and our guideline that we  
23 try, in the mix of compensation, to ensure that  
24 salaries come in toward the bottom of the range  
10:35:04 25 because -- or our market target, which we refer to as



1 the market reference point. If you don't mind, I'll  
2 use the "MRP" terminology because it's fewer words to  
3 have to say the acronym.

4 Q. I'm sorry. That's market --

10:35:17 5 A. Reference point.

6 Q. Okay.

7 A. And what we try to do is bring in new  
8 candidates or new employees toward the bottom of the  
9 range, because we have a pay-for-performance  
10:35:26 10 philosophy, and we'd like their salaries to progress  
11 and be aligned with their demonstrated performance  
12 after the fact as opposed to bringing folks in higher  
13 in the range.

14 It is rare that we bring in people high in the  
10:35:38 15 range, but we do sometimes, depending on their current  
16 rates of salaries at their current employer.

17 Q. Okay. And circling -- I appreciate that  
18 description, by the way.

19 Circling back to what happens if someone's  
10:35:51 20 going to be slotted outside the range, is there a  
21 process for the planner to get approval for that, or  
22 does that just happen in the planner's discretion?

23 A. So let me clarify a couple things.

24 So I would distinguish between our annual  
10:36:07 25 merit cycle, where planners are actually planning for a

1 team of people and we -- for which we have budgets, and  
2 that should be distinguished from new-hire, new-hire  
3 rates of pay.

4 So planners or managers have less input,  
10:36:25 5 except at the executive level, but they have input, of  
6 course, for new-hire offers.

7 Because of our ranges being highly competitive  
8 and well above market, it is a rarity that folks would  
9 be outside the top of the range.

10:36:40 10 Q. Okay. And then switching to an incumbent  
11 employee who a manager might think deserves more pay  
12 than the range would allow, what is the process for --  
13 for that salary to be approved?

14 MR. RUBIN: Objection. Vague.

10:36:59 15 THE WITNESS: Well, if you mean what happens  
16 if someone is highly paid relative to our market  
17 target, if they are a stellar performer, then it's  
18 likely that a proposed increase would be approved, but  
19 it would be their judgment.

10:37:16 20 And then if it was a poor performer, then we  
21 may not approve that rate of salary increase.

22 BY MS. DERMODY:

23 Q. And what is the approval process for that  
24 position?

10:37:29 25 A. It goes from the compensation team and me up

1 to Laszlo Bock, and Laszlo Bock is the final  
2 determiner --

3 Q. Okay.

4 A. -- as the head of HR. Or People Operations we  
10:37:41 5 call it.

6 Q. Okay. And is that for all employees in the  
7 company?

8 A. That is the process for nonexecutives, or  
9 exclusive of vice presidents, yes.

10:37:51 10 Q. Okay. And was that the process in 2007 when  
11 you started?

12 A. Yes.

13 May I clarify?

14 Q. Of course, yes.

10:38:06 15 A. So when I started in 2007, the final decider  
16 was Shona Brown for, I believe, the first year, and  
17 then the responsibility fell to Laszlo Bock  
18 subsequently.

19 Q. Okay. And in your experience, have most of  
10:38:23 20 the employees been paid within the salary ranges for  
21 the position they're assigned to?

22 MR. RUBIN: Objection. Lacks foundation.

23 THE WITNESS: What do you mean by "most"?

24 BY MS. DERMODY:

10:38:31 25 Q. Is it more the exception than the rule that

1 employees are paid within their salary range?

2 MR. RUBIN: Same objection.

3 THE WITNESS: Most employees are paid within  
4 the salary range.

10:38:45 5 BY MS. DERMODY:

6 Q. You describe, as one of the various  
7 responsibilities that you've had, offers to external  
8 candidates.

9 Can you tell me what that involves?

10:39:06 10 A. Offers involves how much we pay a particular  
11 candidate, and that would be comprised of their [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 Q. And what is your role with respect to those  
10:39:30 15 issues?

16 A. My -- well, may I clarify? My team per --  
17 works with another group in People Operations which  
18 does the basic offers, and things that are outside of  
19 guideline of certain ranges get escalated to them.

10:39:53 20 They review, and things outside of their purview are  
21 escalated to me.

22 Q. Which types of things would fall within  
23 another group in People Operations and which things  
24 would fall to you?

10:40:20 25 A. So the other group in People Operations is

1 part of what we called People Technology Operations at  
2 the time. We now refer to it as Google People  
3 Services. And they do the rote or standard offers.

4 [REDACTED]

10:40:43 5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED] [REDACTED]

9 [REDACTED]

10:40:57 10 Q. Okay. And then what goes to you? All the  
11 rest?

12 A. Oh, you mean to our team?

13 Q. Yes.

14 A. They -- they [REDACTED]

10:41:07 15 [REDACTED]

16 [REDACTED]

17 [REDACTED] [REDACTED]

18 [REDACTED]

19 [REDACTED]

10:41:26 20 Q. Okay. And just so I can be sure I'm

21 following, you used the term [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED]

10:41:47 25 [REDACTED]

1 [REDACTED]

2 A. [REDACTED]

3 Q. And has that system been in place since you  
4 started in 2007?

10:42:02 5 A. No.

6 Q. When did that start?

7 A. 2011.

8 Q. Okay. So that's more recent?

9 A. Correct.

10:42:09 10 Q. Back in the 2007 era, was there a different  
11 approach to offers that involved your team?

12 A. [REDACTED]

13 [REDACTED]

14 [REDACTED]

10:42:35 15 [REDACTED]

16 Q. Okay. [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

10:43:01 20 [REDACTED]

21 A. I'm not sure I know how to interpret that. Do  
22 you mean like similar candidates like new college  
23 grads?

24 Q. Sure.

10:43:15 25 A. [REDACTED]

1 similar candidates like software engineers, probably  
2 not, given their variation in current compensation.

3 Q. Okay. So in part, their offer relied on what  
4 their existing compensation was at a different  
10:43:32 5 employer?

6 A. Yes.

7 Q. Going back to when you started in 2007, you  
8 described also having some responsibility for the  
9 materials that went to the LDCC.

10:44:03 10 What was that responsibility?

11 A. Each quarter we had a compensation committee  
12 meeting, and there is a variety of updates or special  
13 requests that we provided to the LDCC, and it was  
14 preparing those materials.

10:44:22 15 Q. And has that quarterly meeting continued from  
16 2007 to the present?

17 A. Correct.

18 Q. Okay. And the LDCC is a committee of the  
19 board of directors?

10:44:43 20 A. It is.

21 Q. Okay. And do you recall, when you first  
22 started, who was on the LDCC?

23 A. My recollection was that it was Paul Otellini  
24 and Art Levinson.

10:45:02 25 Q. Were there standard data reports or metrics

1 that the LDCC requested from you? We'll go back to  
2 sort of the 2007 era. If you recall.

3 A. You mean as part of the regular materials?

4 Q. Yes.

10:45:31 5 A. We had a standard set of reports that we  
6 provided, yes.

7 Q. And what was -- I'm sorry.

8 A. I don't know if we -- they requested it  
9 specifically or we provided them, but we continued  
10:45:44 10 providing, from April onwards, when I joined, what --  
11 similar to what had been provided before.

12 Q. Okay. And what was included in the standard  
13 reports?

14 A. Best of my recollection, [REDACTED]

10:46:01 15 [REDACTED]  
16 [REDACTED]  
17 [REDACTED]

18 Q. Did you do reporting on total salary as a line  
19 item for the company?

10:46:31 20 A. I'm not sure I know what you mean.

21 Q. [REDACTED]

22 A. [REDACTED]

23 [REDACTED]

24 Q. Okay. And again, just so I understand what  
10:46:50 25 this means, what would be [REDACTED]



1 [REDACTED] What does that involve?

2 A. [REDACTED]

3 [REDACTED]

4 [REDACTED]

10:47:20

5 [REDACTED]

6 [REDACTED]

7 Q. [REDACTED]

8 [REDACTED]

9 [REDACTED]

10:47:34

10 A. The former.

11 Q. Okay. In terms of the standard reporting that  
12 happened starting in 2007, have there been new or  
13 additional items that you didn't mention previously  
14 that have been reviewed?

10:48:01

15 A. Yes.

16 Q. Okay. And what have those been?

17 A. [REDACTED]

18 [REDACTED]

10:48:20

19 Q. And when did those summaries begin to be  
20 reported?

21 A. I don't recall the specific dates. Perhaps in  
22 late 2007 or early 2008, but I would be speculating.

23 Q. Okay. You think it was before 2009, at some  
24 point?

10:48:39

25 A. If -- speculating, I would say yes.

1 Q. Is there a date you're sure you were doing  
2 it? 2009?

3 A. I'm sure we were doing it in 2009.

4 Q. Okay. So 2009 or earlier?

10:48:55 5 A. Correct.

6 Q. Okay. [REDACTED]

7 [REDACTED]

8 A. The summaries [REDACTED]

9 [REDACTED]

10:49:14 10 [REDACTED]

11 [REDACTED]

12 Q. And for what purpose were you tracking all of  
13 that information?

14 A. [REDACTED]

10:49:40 15 [REDACTED]

16 Q. And why was that?

17 A. [REDACTED]

18 [REDACTED]

19 Q. Okay. Let me ask you, in addition to the

10:50:07 20 different categories of information that you have  
21 described being part of the standard reports to the  
22 LDCC, are there any other categories that you can  
23 recall that were standard in the reports?

24 A. There were periodic reports. That means not  
10:50:21 25 every quarter. But there are other topics that were

1 covered such as [REDACTED]

2 [REDACTED]

3 Q. Anything else?

4 A. If there was a special type of programs.

10:50:45 5 Q. What would be an example?

6 A. [REDACTED]

7 [REDACTED]

8 Q. Anything else?

9 A. That's what I recall.

10:51:07 10 Q. Okay. [REDACTED]

11 A. [REDACTED]

12 [REDACTED] [REDACTED]

13 [REDACTED]

14 Q. Okay. Did any of the special programs you

10:51:33 15 recall reporting on to the LDCC involve recruiting or

16 compensation for all employees?

17 A. For all employees?

18 Q. Yes.

19 A. No.

10:51:45 20 Q. Were any of the special programs programs

21 involving certain large sets of employees?

22 A. No.

23 Q. Okay.

24 MR. RUBIN: Let me just go ahead at this

10:51:59 25 point -- I usually wait for documents -- since we are

1 getting into confidential business discussions,  
2 designate the transcript under the protective order as  
3 highly confidential, attorneys' eyes only.

4 MS. DERMODY: Okay.

10:52:10 5 BY MS. DERMODY:

6 Q. In terms of the periodic reporting, what do  
7 you recall being reported about the compensation  
8 philosophy of the company?

9 MR. RUBIN: Objection. Vague.

10:52:26 10 THE WITNESS: Do you mean in 2007 or 2008  
11 or ...

12 BY MS. DERMODY:

13 Q. Let's start with 2007, sure. And this is what  
14 you had described as a periodic report to the LDCC.

10:52:36 15 A. Right.

16 So in 2007 we changed our compensation  
17 philosophy to increase our market targeting for our  
18 cash compensation.

19 Q. And what did that involve?

10:53:00 20 A. That involved moving our salary target from

21 [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 Q. And was that for all employees at Google?

10:53:18 25 A. Yes.

1 Q. Did that compensation philosophy change in  
2 2008?

3 A. No.

4 Q. Okay. How about in 2009?

10:53:30 5 A. No.

6 Q. Okay. In 2010?

7 A. It was decided in 2010 we would change the  
8 compensation philosophy for implementation at the  
9 beginning of 2011.

10:53:45 10 Q. And was that the initiative called "Big Bang"?

11 A. Big Bang was a result of that change in  
12 compensation philosophy.

13 Q. Okay. And how would you characterize that  
14 change?

10:54:00 15 A. [REDACTED]  
16 [REDACTED]  
17 [REDACTED]

18 Q. Okay. In terms of the periodic reporting to  
19 the LDCC, was there anything else you recall about  
10:54:21 20 compensation philosophy that was reported in that 2007  
21 to 2010 time period other than what you've just  
22 described?

23 A. For the broad-based employee population?

24 Q. Yes.

10:54:34 25 A. Those are the major -- in terms of major

1 compensation philosophy or targeting, pay targeting,  
2 no, that would cover it.

3 Q. Okay. Were there changes in the compensation  
4 philosophy that were reported out to the LDC [sic]  
10:54:54 5 involving certain groups of employees in 2007?

6 A. Separate from --

7 Q. All employees.

8 A. -- the employee population?

9 Q. Yes.

10:55:05 10 A. Or separate from special projects?

11 Q. Yes.

12 A. I don't believe so.

13 Q. Okay. Were there certain special projects  
14 that were focused on groups of employees in the 2007  
10:55:21 15 time period?

16 A. There may have been specific other types of  
17 projects for single employees or small groups of  
18 employees.

19 Q. Okay. Not large groups of employees?

10:55:42 20 A. Correct.

21 Q. And would that be true for 2008?

22 A. The same would apply.

23 Q. Okay. And how about 2009?

24 A. To the best of my recollection, yeah, the same  
10:55:56 25 would apply.

1       came, and that person in that role varied during that  
2       period.

3           Q.     Who was the person when you started in '07?

4           A.     David Rolefson, R-o-l-e-f-s-o-n.

11:02:02 5           Q.     And who took over for Mr. Rolefson when he was  
6       no longer in that position?

7           A.     Eric Schaffer, I believe.

8           Q.     Okay. And when did Mr. Schaffer take over  
9       that role?

11:02:22 10          A.     I believe it was at the end of 2007.

11          Q.     Okay. And has Mr. Schaffer had that role ever  
12       since, or has it been someone else?

13          A.     Mr. Schaffer has had that role ever since.

14          Q.     Okay. And then going all the way back to when  
11:02:45 15       you testified that one of your areas of  
16       responsibilities was compensation policy, can you  
17       elaborate on what that involves?

18          A.     I would say that compensation policy would be  
19       things where there were special cases related to  
11:03:05 20       compensation. For example, the treatment, as I  
21       mentioned, of movement between jobs or locations, if  
22       there was an on-call policy, a thing like a shift  
23       premium policy.

24          Q.     Anything else?

11:03:29 25          A.     I think -- well, there are probably other

1 things I'm not recalling. Most of the other things,  
2 you can call them policy, are just sort of assumed in  
3 the base pay program, sales bonus design, equity  
4 design, and the benchmarking process. All those things  
11:04:01 5 had a policy-related activity, but as a separate -- as  
6 a separate concept outside of our norm, that's probably  
7 a fair statement, or those are things I'm remembering.

8 Q. Okay. Going to base pay, did your group have  
9 responsibility for evaluating whether the salary ranges  
11:04:27 10 were appropriate for the titles or job families in the  
11 company?

12 MR. RUBIN: Objection. Vague.

13 THE WITNESS: Yeah, could you repeat the  
14 question?

11:04:43 15 BY MS. DERMODY:

16 Q. Sure.

17 Let me go back to 2007. When you started in  
18 2007, were there salary ranges then?

19 A. There was a notion of a salary range. There  
11:05:03 20 were -- there was a -- the existing [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED]

11:05:32 25 [REDACTED]



1 Q. [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 A. Yeah. [REDACTED]  
11:05:48 5 Q. [REDACTED] [REDACTED]  
6 [REDACTED] Make sure I understand it.  
7 A. That's correct.  
8 Q. Okay.  
9 A. When I joined, yes.  
11:05:55 10 Q. Okay. And what would the guidelines cover?  
11 A. [REDACTED] [REDACTED]  
12 [REDACTED]  
13 [REDACTED] [REDACTED]  
14 [REDACTED]  
11:06:20 15 [REDACTED]  
16 [REDACTED]  
17 When I joined, to be clear, we changed the  
18 methodology, [REDACTED]  
19 [REDACTED]  
11:06:39 20 [REDACTED]  
21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED]  
24 [REDACTED]  
11:07:28 25 (DEPOSITION EXHIBIT 1600 MARKED.)

1 BY MS. DERMODY:

2 Q. So the document that's been placed in front of  
3 you was produced to us without a Bates number, we call  
4 it Bates number, a number on the front, but on the  
11:07:48 5 second page, you should see up at the top right corner  
6 a number that says "395420."

7 Do you see that?

8 A. I see that.

9 Q. Great.

11:08:02 10 This document we've marked as Exhibit 1600 has  
11 the title on the first page "Google 2004 Salary  
12 Ranges." And by this title it seems clear you were not  
13 at Google in 2004.

14 A. That's correct.

11:08:19 15 Q. But looking at the way this is laid out, does  
16 this document appear to correspond to what you just  
17 described was the system in 2007 for salary ranges?

18 A. Yes, it generally corresponds. I see that  
19 this is [REDACTED]

11:08:53 20 [REDACTED]

21 [REDACTED]

22 [REDACTED] [REDACTED]

23 [REDACTED] but otherwise it looks like, in general,

24 the same structure, although the numbers differ from

11:09:13 25 what they were when I joined in 2007.

1 Q. Great.

2 And when you joined in 2007, were you able to  
3 observe on your computer or did you have passed out to  
4 you a document that would have had the Google 2007  
11:09:30 5 salary ranges of this structure on Exhibit 1600?

6 A. I -- it's -- yes, I would have -- I believe or  
7 I strongly believe that I would have seen something  
8 generally similar to this. Not in the same format,  
9 because this is not what I recall. But something  
11:09:50 10 similar to this.

11 Q. Okay. And again, just so I can understand  
12 what the document means, if you can start with region  
13 1, is this identifying a geographic region for these  
14 salaries?

11:10:14 15 A. Region 1 would be -- yes, the lists in the  
16 parentheses, to clarify, are acronyms or abbreviations  
17 for Google locations. So it would apply -- if this is  
18 consistent with how it was in 2007, it would apply to  
19 the cities that are listed.

11:10:38 20 Q. Is "MV" Mountain View?

21 A. Yes.

22 Q. And New York City.

23 What's "SMOLA"?

24 A. Santa Monica Los Angeles.

11:10:50 25 Q. And then is the next Boston and Seattle?

1 A. Yes.

2 Q. Is that Virginia?

3 A. I don't know, since we don't have that  
4 nomenclature anymore.

11:11:02 5 Q. Okay. And then it looks like something in  
6 Australia?

7 A. No, Austin, Texas.

8 Q. Oh, Austin. Excuse me.

9 And is that Chicago?

11:11:09 10 A. Correct.

11 Q. Okay. And just looking again at this box on  
12 the top left, it says "Tech Salary Structure"; is that  
13 correct?

14 A. That is correct.

11:11:19 15 Q. And would that include software engineers and  
16 people in the engineering side of the company?

17 A. That would be primarily software developers,  
18 yes, software engineers.

19 Q. And then the grades go from [REDACTED]; is  
11:11:38 20 that correct?

21 A. Well, I would say the grades for the tech  
22 salary structure go from [REDACTED] [REDACTED]  
23 [REDACTED] [REDACTED] It really isn't part  
24 of the tech structure.

11:11:53 25 Q. Okay. And what is your understanding of how

1 to read what the different columns mean?

2 A. [REDACTED]

3 I'll just go across the top.

4 Q. That's perfect. Thank you.

11:12:11

5 A. [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

11:12:27

10 [REDACTED] I also would  
11 infer that was based on our philosophy at the time.

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

11:12:48

15 [REDACTED]

16 Q. And then going down to the next -- the middle  
17 boxes, [REDACTED]

18 A. [REDACTED]

19 [REDACTED]

11:13:16

20 [REDACTED]

21 [REDACTED] [REDACTED]

22 [REDACTED] [REDACTED]

23 [REDACTED]

24 [REDACTED]

11:13:29

25

Q. Okay. And that group has the [REDACTED]

1 four guidelines, does this document we've marked as  
2 Exhibit 1600 reflect the four guidelines, or would  
3 there have been something else you would be talking  
4 about in the 2007 era?

11:18:00 5 A. Well, we had this general topical structure  
6 for the first six or eight months of 2007, and then we  
7 moved to something more granular.

8 Q. Okay. And can you describe for me what  
9 changed?

11:18:19 10 A. What changed in terms of the salaries?

11 Q. Yes, the salary ranges.

12 MR. RUBIN: You're not asking about specific  
13 numbers. You're just asking about the --

14 MS. DERMODY: Philosophy.

11:18:43 15 MR. RUBIN: -- concepts?

16 THE WITNESS: Oh, okay.

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

11:18:55 20 [REDACTED] [REDACTED]

21 [REDACTED] [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED] [REDACTED]

11:19:19 25 [REDACTED]

1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
11:19:40 5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED] [REDACTED]  
9 BY MS. DERMODY:  
11:19:54 10 Q. [REDACTED]  
11 [REDACTED]  
12 A. [REDACTED]  
13 [REDACTED]  
14 Q. And since that change happened, have there  
11:20:17 15 been other conceptual changes to the salary range  
16 approach?  
17 A. No, we've maintained that general approach  
18 that we benchmark and compare jobs, [REDACTED]  
19 [REDACTED]  
11:20:35 20 [REDACTED]  
21 Q. And if you wanted to identify what the target  
22 salary would be for a certain job within a certain  
23 grade, could you go online or go to some place in your  
24 office and pull up what that was for that job family  
11:21:00 25 and that grade?

1 A. Could I do it?

2 Q. Yes.

3 A. Yes.

4 Q. And could you have done that since this change

11:21:08 5 in philosophy happened?

6 A. Since -- since we implemented the more

7 granular approach?

8 Q. Yes.

9 A. Yes.

11:21:14 10 Q. And where would you locate that information in

11 terms of your computer system or your files? Is there

12 a manual, or is it a certain database?

13 A. We keep data on market reference points in a

14 Excel file.

11:21:32 15 Q. And that's for every job family?

16 A. Yes.

17 Q. And if you were to physically have to identify

18 on the computer where to look for that Excel file, is

19 it contained within a certain employee's documents, or

11:22:04 20 is it something that has a certain title within your

21 team?

22 A. It's a secure area of the Google servers

23 somewhere.

24 Q. So if you were instructing another person who

11:22:20 25 wasn't familiar with how to locate that document and



1 you needed to find it, what would you tell them to look  
2 for? Is there a certain search you would do?

3 A. If I was talking to someone on my team, they  
4 would know where to find it. I would say, "Get me the  
11:22:34 5 MRP file." But it is on a secure area of the Google  
6 server that's set aside for the compensation team.

7 I have not had the occasion to actually do --  
8 go and look at myself, since my team does that as  
9 opposed to me personally.

11:22:54 10 Q. Okay. But the common name would be the "MRP  
11 file"? Is that fair?

12 A. The list of our MRPs is in the MRP file, yes.

13 Q. Okay. Thank you.

14 MS. DERMODY: Should we take a short break?

11:23:06 15 MR. RUBIN: Sure.

16 MS. DERMODY: We've been going for a bit.

17 MR. RUBIN: Sure.

18 MS. DERMODY: Thanks.

19 THE VIDEOGRAPHER: This is the end of video

11:23:12 20 No. 1. The time is 11:23 a.m. We're going off the  
21 record.

22 (RECESS TAKEN.)

23 THE VIDEOGRAPHER: This is the beginning of

24 video No. 2 in the deposition of Frank Wagner. The

11:39:36 25 time is 11:39 a.m. We're back on the record.

1 BY MS. DERMODY:

2 Q. Okay, Mr. Wagner. Going back to when you were  
3 describing some of your areas of responsibility as a  
4 director, you mentioned that at some point you added to  
11:39:54 5 your regular responsibilities an initiative involving  
6 counteroffers.

7 Do you recall that?

8 A. Yes.

9 Q. And can you describe what that was involving?

11:40:03 10 A. The counteroffer initiative, I'm not -- could  
11 you be a little clearer as to the specifics there, what  
12 you're looking for?

13 Q. Sure. Maybe I was confused. So you tell me  
14 if I didn't get this correctly.

11:40:20 15 Initially you described a whole list of areas  
16 of responsibility that were part of what you were  
17 handling when you first started in 2007, and then there  
18 was some changes over time, and one of the changes that  
19 added a responsibility, I thought, was the counteroffer  
11:40:39 20 area.

21 Was that a misunderstanding on my part?

22 A. No. I think what happened is that the  
23 counteroffer used was infrequent and ad hoc when I  
24 first joined, with a very small end count. But then I  
11:40:57 25 recall, whether it was toward the end of '07 or so, the

1 counteroffer request became more frequent. And so,  
2 working with Laszlo, we determined that we should  
3 implement a more formal process where we designated  
4 people on the team to be available to assist with the  
11:41:16 5 counteroffer process.

6 Is that enough information for you?

7 Q. Yes.

8 A. I'm sorry. I'm sure that -- yeah. I'm sure  
9 you'll -- well --

11:41:25 10 Q. Yes. I appreciate that. I'll probably  
11 trouble you with follow-up questions when I'm confused.

12 A. Got it.

13 Q. But thank you.

14 A. Got it.

11:41:32 15 Q. And I do have some follow-up questions.

16 A. Okay.

17 Q. So in terms of the counteroffer, the  
18 formalization of the process for counteroffers, did  
19 that involve all jobs at Google or was that targeted to  
11:41:44 20 certain types of jobs?

21 A. The counteroffer process [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED]

11:42:02 25 [REDACTED]

1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]

11:42:18 5 Q. And using the different categories of types of  
6 jobs that are represented on Exhibit 1600, [REDACTED]  
7 [REDACTED]  
8 [REDACTED] -- be possible in all of those areas  
9 or only in some of them?

11:42:44 10 A. When -- at what -- initially, you mean?

11 Q. Yes, initially.

12 A. [REDACTED]  
13 [REDACTED]  
14 [REDACTED]

11:43:00 15 Q. And when you say "initially," did you mean  
16 when you started in 2007?

17 A. Correct.

18 Q. Okay. And did that --

19 A. And -- sorry.

11:43:07 20 And then also when we implemented the more  
21 formal process for -- established on my team to help  
22 with the counteroffer process.

23 Q. Okay. So that continued. [REDACTED]

24 [REDACTED]; is

11:43:20 25 that --

1 A. Correct. That's correct.

2 Q. Okay. As you recall, when you started to  
3 formalize a counteroffer process, did you develop  
4 guidelines for how to counteroffer?

11:43:42 5 A. Yes.

6 Q. And what were those?

7 MR. RUBIN: Objection. Vague.

8 THE WITNESS: Well, if you mean that --  
9 there's two aspects, I think. One is whether we should  
11:43:57 10 counteroffer, and secondly would be the magnitude, is  
11 how I think about it.

12 So again, we just had general principles that  
13 I mentioned earlier about the type of jobs that will be  
14 eligible for a counteroffer.

11:44:10 15 The magnitude tended to be, initially, that we  
16 would match the amount of compensation that someone  
17 would have had in their external offer with a focus on  
18 providing it in equity rather than other components of  
19 compensation.

11:44:37 20 BY MS. DERMODY:

21 Q. And over time, did the guidelines on magnitude  
22 change?

23 A. So do you mean like in 2008 or 2009?

24 Q. Sure.

11:44:46 25 A. So initially, yes, relative to the initial,

1 for select companies, we became more aggressive with  
2 the magnitude.

3 Q. Did your philosophy about magnitude stay the  
4 same for the companies that weren't the select  
11:45:13 5 companies?

6 A. Yes.

7 Q. Okay. And what were the select companies  
8 where you changed your philosophy around the magnitude  
9 of the counteroffer?

11:45:24 10 A. The select companies initially, when we first  
11 initially did it, did the process, it was focused  
12 primarily, if not -- not exclusively but primarily on  
13 Facebook.

14 Q. Okay.

11:45:38 15 A. And then your other question was did -- did  
16 you say -- did you ask for other companies? Is that  
17 what you said?

18 Q. Sure. Were there other companies as well in  
19 the select companies that you were counteroffering to?

11:45:51 20 A. Yes, eventually that list expanded from just  
21 Facebook to other organizations.

22 Q. And what were those?

23 A. Various companies were included or not  
24 included on the list. The primary one that was added  
11:46:12 25 after Facebook was Twitter, and Square was also added,

1 and I believe, my recollection is Groupon was on the  
2 list for a time but dropped off.

3 Q. And were there any other of those companies  
4 that you can recall?

11:46:29 5 A. There were companies that we would consider  
6 for a counteroffer, most of which -- I believe all of  
7 which exclusively were start-up-type organizations. I  
8 don't recall the counteroffers being employed for  
9 larger, established organizations, but my recollection  
11:46:53 10 is that it was exclusively within the start-up space,  
11 and each situation was looked at on its merits and the  
12 characteristics or principles about the type of folks  
13 that we like to retain.

14 Q. And in terms of the distinction between the  
11:47:11 15 select companies where you, I believe, characterized  
16 counteroffers as being more aggressive, versus the  
17 nonselect companies which follow the usual approach,  
18 what was the difference in philosophy to the select  
19 companies?

11:47:27 20 A. Well, I was implementing that, so I didn't  
21 make those decisions. That was made by our executive  
22 team. But generally they were the types of  
23 organizations that were -- we worried about in our  
24 competitive space. That was my understanding.

11:47:44 25 Q. Okay. And just in terms of -- going back to

1 the magnitude description, I think you said that  
2 initially there had been an approach that was to match  
3 compensation and focus on equity offers for candidates  
4 for counteroffer.

11:48:04 5 Is that correct?

6 A. That is correct.

7 Q. And then you changed that for select companies  
8 over time; is that correct?

9 A. That is correct.

11:48:10 10 Q. And how did you make -- how did you change  
11 that approach?

12 A. We still almost exclusively used equity, but  
13 instead of matching the amount offered by the external  
14 organization, we went to a larger multiple.

11:48:28 15 Q. So a larger multiple on the base salary?

16 A. No.

17 Q. Larger -- explain.

18 A. Sorry. A larger multiple of the equity.

19 Q. Okay.

11:48:38 20 A. For example, if person -- a person got  
21 \$100,000 in equity from start-up X, from Facebook, we  
22 would offer something more than \$100,000.

23 Q. Okay. So the approach would be to match  
24 compensation and have a larger multiple on equity; is  
11:48:56 25 that correct?



1 you started in the company?

2 A. For the compensation team?

3 Q. Yes.

4 A. We -- we have -- by various names, whether  
11:58:03 5 it's the direct report or the managers in  
6 compensation. We've called it different things over  
7 time. But there are weekly meetings of the managers or  
8 leaders in the compensation team, and there are monthly  
9 to bimonthly all-hands meetings.

11:58:17 10 Q. And has that been since you started in 2007,  
11 those two types of meetings for your team?

12 A. Yes.

13 Q. Okay. And is there a difference of attendees  
14 in the weekly meetings versus the monthly or bimonthly  
11:58:42 15 all-hands?

16 A. Right.

17 So the monthly all-hands would be everybody,  
18 and the weekly meeting was generally managers. So that  
19 population has varied from five to eight people on  
11:58:55 20 average.

21 Q. And how about the monthly or bimonthly  
22 all-hands meeting? How big is that group?

23 A. Well, when I joined it was about ten people,  
24 and now it's about 42 or 43.

11:59:07 25 Q. Okay.

11:59:19 5 Q. And in terms of subject matter that's covered  
6 in these two different meetings, can you tell me about  
7 the weekly meeting? And if it's changed over time,  
8 feel free to say it was different in '07 versus  
9 present.

11		
12		
13		
14		

Time	Activity
11:59:59	15
	16
	17
	18
	19

12:00:12	20	[REDACTED]
	21	[REDACTED]

22 Q. Okay. And who -- are there certain titles  
23 under the compensation -- under your title, director of  
24 compensation, that are -- let me strike that.

12:00:32 25	The people who attend the weekly meeting are
-------------	--

1 all the managers who report to you on the compensation  
2 team; is that correct?

3 A. As -- yes, as well as those who report to Eric  
4 Schaffer.

12:00:41 5 Q. Okay. And then what are the types of topics  
6 covered at the all-hands monthly or bimonthly meeting?

7 A. [REDACTED]  
8 [REDACTED]  
9 [REDACTED]

12:01:11 10 [REDACTED]  
11 [REDACTED] We would do team debriefs. Those types of  
12 things.

13 Q. Okay. And has that been the general subject  
14 area since you started in 2007?

12:01:32 15 A. Yes.

16 Q. Okay. And thinking about your team meetings,  
17 have those meetings ever talked about recruiting  
18 issues?

19 MR. RUBIN: Objection. Vague.

12:01:45 20 THE WITNESS: No.

21 BY MS. DERMODY:

22 Q. Okay. And that's true for your manager  
23 meeting as well as the all-hands?

24 A. The -- if by "recruiting" do you mean the  
12:01:56 25 volume of offers that we had to extend from the team

1 didn't know how it -- whether we'd be concerned or not.

2 Q. Okay. And did you then speak with Mr. Geshuri  
3 about the list?

4 A. I can't recall if I spoke or whether it was an  
12:05:24 5 e-mail conversation. But we had an interaction on the  
6 list, yes.

7 Q. And at some point did you physically observe a  
8 list of companies to not cold-call into?

9 A. I don't recall that. My recollection is that  
12:05:38 10 Genentech was on the list and there were other  
11 companies on the list.

12 Q. And you're not sure whether or not you  
13 actually saw the list or just learned of it in some  
14 other way?

12:05:52 15 A. I don't believe I saw a physical list. I  
16 can't recall. Arnon may have said -- met me in the  
17 hallway, or maybe it was e-mail or something like that,  
18 but I don't recall specifics.

19 Q. Mr. Wagner, placed in front of you is a  
12:06:36 20 document that was previously marked at a deposition as  
21 Plaintiff's Exhibit 1049. Do you see that number  
22 stamped on the document?

23 A. Yes, I do.

24 Q. Okay. And you'll -- if you'll look on the  
12:06:47 25 bottom left on that first page, you'll see a date that

1 says 3/7/2007.

2 Do you see that?

3 A. I do.

4 Q. Okay. And in looking at this document, do you  
12:07:01 5 recognize having seen this at some point?

6 A. Yes.

7 Q. Okay. And when did you see this document?

8 A. Yesterday.

9 Q. Okay. And if you want to take a moment to  
12:07:15 10 read through it, if you need to.

11 If you can tell me whether looking at this  
12 confirms what your knowledge was in 2007 as to what  
13 companies were on the list.

14 MR. RUBIN: Objection. Lacks foundation.

12:07:30 15 THE WITNESS: The only companies that I was  
16 aware of or that I recall were Genentech, Intel and  
17 perhaps Apple. I'm not certain of that.

18 BY MS. DERMODY:

19 Q. Okay. Did you ever become aware of Intuit  
12:07:53 20 being on the list?

21 A. I think I became aware later. I think that  
22 may be the case.

23 Q. Okay. Did anyone ever tell you why Genentech  
24 was on the list?

12:08:14 25 A. No, they didn't tell me specifically. I only

1 assumed it was because of Art Levinson.

2 Q. Okay. And how about Intel? Did you ever have  
3 an understanding of why Intel was on the list?

4 A. I think it's the same answer, in that I don't  
12:08:29 5 think I ever asked specifically why Intel's on the  
6 list, but since Paul Otellini was on our board, I  
7 assumed it was because he was on the board.

8 Q. Okay. And how about Apple? Same question.  
9 Did you ever have an understanding of why Apple was on  
12:08:42 10 the list?

11 MR. RUBIN: Objection. Lacks foundation.

12 THE WITNESS: Yeah, I -- I -- same -- same  
13 response. Although we didn't have -- I believe that  
14 Eric Schmidt was on the Apple board at the time, but  
12:08:59 15 I -- I assumed perhaps that was the reason, but I had  
16 no basis to -- I just assumed that.

17 MS. DERMODY: Okay.

18 THE WITNESS: No one ever told me why these  
19 companies were on the list.

12:09:06 20 BY MS. DERMODY:

21 Q. Okay. And same question with Intuit. Did you  
22 ever have an understanding as to why Intuit became to  
23 be on the list?

24 A. I think it's the same response. I don't think  
12:09:16 25 anyone ever said overtly Intuit is on the list because

1 of X, but I assumed it was because Bill Campbell was an  
2 advisor to Google.

3 Q. Okay. And did you have an understanding in  
4 the 2007 period of what being on the list meant in  
12:09:35 5 terms of what Google could or could not do?

6 A. My only understanding at the time was that we  
7 wouldn't cold-call employees at those companies.

8 Q. And did you have an understanding at that time  
9 as to whether those companies had a reciprocal  
12:09:51 10 agreement with Google?

11 A. I had no idea of that.

12 Q. Okay. You didn't know one way or the other?

13 A. Correct.

14 Q. Okay. After the communication you had about  
12:10:19 15 the potential Genentech hire and your follow-up with  
16 Mr. Geshuri, did you speak with anyone else in the  
17 company about the do-not-call policy?

18 A. I can't recall any specific conversations  
19 about that.

12:10:39 20 Q. Okay.

21 A. I do believe that I recall there may have been  
22 offers to other folks from either Intel or maybe Intuit  
23 where there might have been correspondence as to  
24 whether it was appropriate to extend the offer -- an  
12:11:03 25 offer that we were planning to do.

1 Q. Okay. And when you said there was  
2 correspondence, would that have been within your team  
3 or someplace else in the company or external?

4 A. It would -- no, it would be internal to  
12:11:18 5 Google.

6 Q. And would you have been involved in those  
7 types of discussions?

8 A. What types of discussions?

9 Q. I'm sorry. Communications about an employee  
12:11:27 10 at a company that was on the list.

11 A. Only to the degree that we were extending an  
12 offer to a person from Company X and whether there --  
13 whether it was handled in the appropriate way, or  
14 whatever we deemed to be appropriate.

12:11:44 15 Q. Okay. And who would you reach out to to ask  
16 that question?

17 A. I can't recall. Perhaps Laszlo. Perhaps  
18 Arnnon.

19 Q. Okay. Do you recall approximately how many  
12:12:06 20 times you might have had those communications about a  
21 potential employee from a company on the list?

22 A. Best of my -- I would call it a handful,  
23 perhaps five or less, but I can't -- I can't remember.  
24 That was an approximation.

12:12:25 25 Q. Okay. Do you recall any details about any of



1           A.     Short answer is this is similar to that.  
2     Whether this is the same thing that Adrienne helped  
3     develop or whether we developed this later, in either  
4     case, it's something we used to train recruiters on our  
02:22:20 5     compensation programs.

6           Q.     Okay.  So turning to page 36297, you should  
7     have a caption at the top that says "Compensation  
8     Components."

9                     Do you see that?

02:22:52 10          A.     I do.

11          Q.     And what is this page reflecting?

12          A.     Well, it looks like it's reflecting some  
13     summary of details that follow in subsequent slides,  
14     and it goes by category -- bless you.  It goes by  
02:23:13 15     category of compensation, the salary, and some features  
16     or things we wanted providers to understand related to  
17     our salary programs related to our bonus program, our  
18     long-term incentives and then the use of sign-on  
19     bonuses and relocation.

02:23:27 20          Q.     Under "Base Salary" where it says  
21     "Benchmarking," do you see that?

22          A.     I do.

23          Q.     Is the benchmarking what you testified to  
24     earlier today, benchmarking to the external market, the  
02:23:39 25     value of those jobs in the marketplace?

1 A. That is what I figure I meant. I'm going to  
2 look at what we say.

3 Yeah. Yes.

4 Q. And the next item down below "Benchmarking" is  
02:23:57 5 "Leveling."

6 Can you just describe what that is?

7 A. That would be assigning a candidate to the  
8 appropriate level at Google.

9 [REDACTED]  
02:24:09 10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]

13 Q. So if you were to describe what the  
14 expectation is for a recruiter under "Base Salary"  
02:24:26 15 using these three items listed, "Benchmarking,"  
16 "Leveling" and "Proposing a Base," what would be the  
17 system that they would follow?

18 MR. RUBIN: Objection. Vague.

19 THE WITNESS: Yeah, the system they would  
02:24:39 20 follow for what?

21 BY MS. DERMODY:

22 Q. For setting base salary.

23 MR. RUBIN: Same objection.

24 THE WITNESS: But they didn't set base salary.

02:24:46 25 BY MS. DERMODY:

1 Q. Okay. Is this just explaining how a base  
2 salary is set?

3 A. Correct.

4 Q. Okay. So they're explaining the base salary  
02:24:53 5 as they understand it to the candidate?

6 A. Yeah, typically they would -- a candidate  
7 would get an offer, [REDACTED]

8 [REDACTED]

9 [REDACTED] [REDACTED]

02:25:09 10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED] [REDACTED]

14 [REDACTED] [REDACTED]

02:25:23 15 [REDACTED] We

16 have stock units, and not everybody has stock units.

17 Here's how it works.

18 And so we wanted to give them the basics of --

19 each feature of the compensation program and have them

02:25:37 20 understand the benchmarking and leveling process, not

21 so they could explain our benchmarking to the -- to a

22 candidate, but rather just so they know we were being

23 thorough and had the right key points to understand,

24 like, you know, we benchmark to the tech market, et

02:25:54 25 cetera.

1 Q. Okay. Thank you.

2 If you could turn to page 36301, please. And  
3 the caption at the top should be "Leveling."

4 Do you see that?

02:26:13 5 A. I do. I do see that.

6 Q. And the statement below that says, "When  
7 leveling a job, Google aims to be internally consistent  
8 and externally competitive."

9 Do you see that?

02:26:26 10 A. Yes.

11 Q. And why is it your understanding Google tries  
12 to be internally consistent?

13 A. By that what we're inferring is we want to be  
14 consistent in how we apply things. [REDACTED]

02:26:41 15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 Q. And in what way are you trying to be

02:26:57 20 externally competitive?

21 A. Well, the overall magnitude or starting point  
22 of our pay levels for salary are related to our MRP.  
23 So how we target that determines the opportunity for  
24 where a new candidate might come in.

02:27:17 25 For example, I think it might be helpful, if

1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED] [REDACTED]  
4 [REDACTED]  
02:27:33 5 [REDACTED]  
6 [REDACTED]  
7 That's the goal. [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
02:27:42 10 Q. Okay. If you could turn to page 36338. It  
11 should say "Roles and Responsibilities" at the top.  
12 Do you see that?  
13 A. Yes.  
14 Q. Under the bullet for "Lead Recruiter's role,"  
02:28:08 15 the third dash says, "Point of contact for compensation  
16 communications."  
17 Do you see that?  
18 A. I do.  
19 Q. And what does that indicate?  
02:28:17 20 A. I believe we tasked -- rather than train every  
21 single recruiter, I believe what we did is we trained  
22 the lead recruiters using these materials and then  
23 asked them to train their staff to make sure they  
24 understood things.  
02:28:36 25 Q. Okay.

1 A. That's my recollection.

2 Q. Okay. And was it your understanding that the  
3 discussion about compensation with the candidate would  
4 be the responsibility of the lead recruiter, or could  
02:28:49 5 it be any recruiter?

6 A. [REDACTED]  
7 [REDACTED]  
8 [REDACTED]

9 Q. Okay.

02:29:01 10 A. I just think they're just a scale and  
11 volume-level issue if you did that.

12 Q. And was that your understanding going back to  
13 2007 or is that more recent times?

14 A. No, that would be the understanding going back  
02:29:13 15 in time.

16 Q. I think that might be it for that document.

17 THE WITNESS: I wonder if I could take a  
18 two-minute bio break.

19 MS. DERMODY: Absolutely, yes. Thanks for  
02:29:51 20 asking.

21 THE WITNESS: Okay.

22 THE VIDEOGRAPHER: Do we have a time for a  
23 video change?

24 MS. DERMODY: Yes, please.

02:29:56 25 THE VIDEOGRAPHER: This is the end of video

1 No. 3. The time is 2:29 p.m. We're going off the  
2 record.

3 (RECESS TAKEN.)

4 THE VIDEOGRAPHER: This is the beginning of  
02:38:48 5 video No. 4 in the deposition of Frank Wagner. The  
6 time is 2:38 p.m. We're back on the record.

7 BY MS. DERMODY:

8 Q. Mr. Wagner, the document we -- I've just been  
9 talking about, Exhibit 1605 -- should be the top one.

02:39:04 10 A. Exhibit 1606?

11 Q. Exhibit 1606.

12 Can you please turn to page 36298.

13 A. Okay.

14 Q. And the top will say "Benchmarking Overview."

02:39:23 15 Do you see that?

16 A. I do.

17 Q. And four bullets down it says the "Peer  
18 comparator companies."

19 Do you see that?

02:39:30 20 A. I do.

21 Q. And this list includes Apple, you'll see?

22 Yes?

23 A. Mm-hmm, it does.

24 Q. And Intel?

02:39:41 25 A. Yes.

1 Q. And Intuit?

2 A. Yes.

3 Q. And Adobe?

4 A. Yes.

02:39:47 5 Q. Among others; correct?

6 A. [REDACTED]

7 Q. And does this refresh your recollection that  
8 these are -- have been considered among the peer  
9 comparator companies?

02:40:01 10 A. [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

02:40:22 15 [REDACTED]

16 [REDACTED]

17 Q. And so this document reflects that Apple would  
18 be considered a peer comparator; is that correct?

19 A. Yes, they would be part of the broader tech  
02:40:37 20 market.

21 Q. And same with Intel and Intuit and Adobe?

22 A. Yes.

23 Q. Okay. Now, earlier this afternoon we looked  
24 at a different exhibit which was marked as Exhibit

02:40:55 25 1602. I think it's the very next one below Exhibit



1 1606.

2 A. Yes.

3 Q. And when we first introduced the document, I  
4 mistakenly referred to it as 1062. But as you look at  
02:41:08 5 this document with the Bates number 379374, it's  
6 Exhibit 1602; is that correct?

7 A. Yes, and I didn't -- I did not hear you say  
8 "1062."

9 Q. Okay. You can feel free to correct me if you  
02:41:21 10 do.

11 A. Okay.

12 Q. Thank you.

13 (DEPOSITION EXHIBIT 1607 MARKED.)

14 BY MS. DERMODY:

02:41:47 15 Q. The document we've marked as Exhibit 1607  
16 should have the number 473938 on front.

17 Do you see that?

18 A. 473938, yes.

19 Q. 938.

02:42:06 20 Do you recognize this document?

21 A. I do not, but let me -- let me look through it  
22 and see if it refreshes my memory in any way.

23 Okay. I have a general thought of what this  
24 is.

02:43:07 25 Q. Okay. And what is that?

1 There are other companies, I think.

2 Q. Do you believe that the number of companies  
3 beyond this is a small number, or is this a tiny  
4 fraction of what's at the Deloitte quarterly meeting?

03:06:51 5 A. This is about half, I would say.

6 Q. Okay. And at that meeting, did the companies  
7 share their individual comp planning predictions? Is  
8 that how this was obtained?

9 A. I think it might have been sent separately to  
03:07:11 10 Deloitte, but I can't recall.

11 Q. Okay. So you either got it through Deloitte  
12 identified by company or you got it directly from the  
13 other companies?

14 MR. RUBIN: Objection. Lacks foundation,  
03:07:24 15 mischaracterizes prior testimony.

16 THE WITNESS: So say that question again.

17 BY MS. DERMODY:

18 Q. Sure.

19 Is it your testimony that you either received  
03:07:33 20 the information contained on Exhibit 1611 from the  
21 companies themselves, or through Deloitte, separated by  
22 company?

23 MR. RUBIN: Same objection.

24 THE WITNESS: Yeah, it could be either. I  
03:07:43 25 don't recall.

1 BY MS. DERMODY:

2 Q. Is it one of those two?

3 A. I believe so.

4 Q. Okay. And was there any other information  
03:07:51 5 that you received about compensation on a company basis  
6 from any of these companies in this time period?

7 MR. RUBIN: Objection. Vague.

8 THE WITNESS: In this time period?

9 Well, what we -- typically this is a forum at  
03:08:10 10 which we discuss treatment of equity processes. For  
11 example, do you use an internally developed system to  
12 administer equity grants or you do an externally  
13 developed system. Do you use performance-vesting or  
14 time-vesting stock units? Do you vest your equity  
03:08:34 15 grants over three years or four years? So if you have  
16 a performance-based approach, do you use financial or  
17 nonfinancial metrics?

18 So it's more process, typically, as opposed to  
19 comp -- comp-specific details.

03:08:48 20 BY MS. DERMODY:

21 Q. When you did talk about comp, did you talk  
22 about compensation of particular types of employees to  
23 benchmark where you were relative to other companies?

24 A. You mean the pay levels of --

03:09:02 25 Q. Yes.

1 A. -- for specific jobs?

2 Q. Yes.

3 A. Never.

4 Q. Did you talk about any of the recruiting  
03:09:09 5 initiatives any of you were undertaking?

6 A. No.

7 Q. Other than talking about what you expected to  
8 be your merit-increase levels, did you talk about bonus  
9 information company by company?

03:09:22 10 A. [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

03:09:36 15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 And your other question was?

03:09:52 20 Q. Whether you received other types of  
21 company-level compensation information.

22 A. [REDACTED]

23 [REDACTED]

24 Q. Did you talk about expectations around  
03:10:08 25 bonuses?

1 A. No.

2 MR. RUBIN: Objection. Lacks foundation.

3 BY MS. DERMODY:

4 Q. And this is a document from 2008. Did you  
03:10:16 5 share information like this with these other companies  
6 in subsequent years?

7 MR. RUBIN: Objection. Vague.

8 THE WITNESS: Yeah, I don't recall. I don't  
9 believe so. This context -- actually, if I recall, the  
03:10:35 10 context of this was in October. This is when the  
11 economic circumstances and stock market was dropping  
12 precipitously. [REDACTED]

13 [REDACTED]

14 [REDACTED]

03:10:51 15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

03:11:06 20 [REDACTED]

21 [REDACTED]

22 BY MS. DERMODY:

23 Q. Okay. Did you receive from Deloitte a  
24 selection of companies' compensation information of the  
03:11:25 25 type listed here for any compensation measure, equity,

1 THE VIDEOGRAPHER: This is the end of video  
2 No. 4. The time is 3:22 p.m. We're going off the  
3 record.

4 (RECESS TAKEN.)

03:36:33 5 THE VIDEOGRAPHER: This is the beginning of  
6 video No. 5 in the deposition of Frank Wagner. The  
7 time is 3:36 p.m. We're back on the record.

8 (DEPOSITION EXHIBIT 1613 MARKED.)

9 BY MS. DERMODY:

03:36:47 10 Q. All right, Mr. Wagner, I'll pass you a  
11 document that we marked as Exhibit 1613. This should  
12 have the Bates number 473658.

13 Is that what you're looking at?

14 A. Yes.

03:37:05 15 Q. And do you recognize this document?

16 A. Yes. I vaguely remember the original, but I  
17 recall the circumstances.

18 Q. Okay. And what is this?

19 A. This is a note to Linus Upson, who's one of  
03:37:49 20 our senior engineering directors at the time, now a  
21 vice president, and there is a group of engineers  
22 who -- Alan Eustace and the senior executives --  
23 engineering executives asked us to review our proposed  
24 salary model for 2007.

03:38:08 25 Q. And you'll see there's a numbered list of

1 goals of the salary algorithms as listed in this  
2 e-mail.

3 Do you see that?

4 A. Yes.

03:38:22 5 Q. And the first one says, "Ensure internal  
6 equity by managing salaries within a reasonable range."

7 Do you see that?

8 A. I do.

9 Q. And what does that mean to you?

03:38:33 10 A. What Tiffany is saying is that there will be a  
11 distribution of salaries within a job level, and that  
12 job could vary -- vary by -- typically it would be  
13 based off performance. That would be our philosophy.  
14 So she called it "reasonable," whether appropriate or  
03:38:57 15 whatever the number is. [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED] That is her

03:39:18 20 suggestion.

21 Q. And the term "internal equity," is that  
22 equivalent to "fairness"?

23 A. I think that -- I don't know if it's exactly  
24 equivalent to "fairness," but I would characterize it  
03:39:34 25 as it's the appropriate relationship of pay based on

1 whatever factors we deem ideal or desired, which in our  
2 case is generally performance.

3 Q. And does that also include assigning a base  
4 salary based on the employee's skill level and talent?

03:40:06 5 A. Well, if you're in a particular job, then your  
6 general skill level should be approximately the same as  
7 everyone else.

8 Oops. Do I have to go back at all or --

9 So the skill level is really similar to those,  
03:40:27 10 and so -- and they meet the qualifications for a  
11 particular job level, like level 4 on our methodology  
12 for someone on the T ladder. So that the  
13 differentiation should be primarily based on  
14 performance.

03:40:39 15 Q. Okay.

16 (DEPOSITION EXHIBIT 1614 MARKED.)

17 BY MS. DERMODY:

18 Q. The document I just passed you was marked as  
19 Exhibit 1614, and it should have the number 473778.

03:41:09 20 Do you see that?

21 A. Yes.

22 Q. Do you recognize this document?

23 A. I don't recall this document, but I see that  
24 I'm copied upon it.

03:41:35 25 Q. Who is Iveta Brigis?



1 A. Iveta Brigis is a People Operations employee  
2 that used to be on the compensation team.

3 Q. And in looking at the e-mail from Ms. Eng to  
4 Ms. Brigis, where she says, "[REDACTED]"

03:41:59

5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]"

8 Do you see that?

9 A. [REDACTED]

03:42:14

10 Yes, I see that.

11 Q. If you could walk me through what this  
12 sentence means. It's got some acronyms and --

13 A. It's a very complicated -- just the way that  
14 they frame it using acronyms.

03:42:26

15 MR. RUBIN: I'll just object. Lacks  
16 foundation.

17 Go ahead.

18 THE WITNESS: [REDACTED]  
19 [REDACTED]

03:42:39

20 [REDACTED]  
21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED] [REDACTED]  
24 [REDACTED]

03:42:59

25 BY MS. DERMODY:

1 Prasad's team to compile this and to report.

2 Q. And what was the purpose of doing this  
3 analysis?

4 A. [REDACTED]

05:01:40

5

6

7

8 Q. After the time you arrived at Google, did  
9 there come a point where you formed the belief that  
05:02:19 10 Google should raise its base salaries across all  
11 employees?

12 A. [REDACTED]

13 [REDACTED] I formed an opinion that our current  
14 compensation [REDACTED]

05:02:48

15

16 Q. And do you know about what year you started to  
17 form that opinion?

18 A. 2008.

19 Q. Okay. What was your role in moving Google  
05:03:02 20 from one compensation philosophy to another in 2010, as  
21 you described at the start of the day today?

22 MR. RUBIN: Objection. Vague.

23 THE WITNESS: Well, I think in general terms  
24 the compensation team provided the data to help our  
05:03:22 25 executives make a decision about how to change its

1 compensation philosophy.

2 BY MS. DERMODY:

3 Q. [REDACTED]

4 [REDACTED]

05:03:43

5 [REDACTED]

6 A. [REDACTED]

7 [REDACTED]

8 [REDACTED] [REDACTED]

9 [REDACTED]

05:04:02

10 [REDACTED]

11 Q. And what was your opinion?

12 A. [REDACTED]

13 [REDACTED]

14 [REDACTED]

05:04:17

15 [REDACTED]

16 [REDACTED]

17 Q. And I think you expressed that as "our

18 opinion."

19 A. That's Frank Wagner's opinion. You asked for

05:04:28

20 my opinion.

21 Q. Okay.

22 A. Sorry if I was not clear.

23 Q. No, that's fine.

24 And do you recall ever discussing whether it

05:04:40

25 would be appropriate to target certain employees versus

1 all employees for a salary bump?

2 A. Our -- my opinion -- and remember that I was  
3 also part of other folks on our team that participated  
4 in discussions and analysis, and there was a tremendous  
05:05:02 5 amount of back-and-forth on this. So lots of  
6 discussions.

7 My recollection is most of the compensation  
8 folks on my team who participated in the analysis  
9 looking at the data concluded as I did, [REDACTED]

05:05:15 10

11

12 So that was the opinion. It was based off all  
13 the data that we had available, so -- and we provided  
14 data that was supportive to our senior leaders and  
05:05:34 15 executives on that.

16 I don't know if that's responsive to your  
17 question, if that's what you were getting at.

18 Q. Yes.

19 And that data was regarding all employees  
05:05:43 20 supporting that --

21 A. Yes.

22 MR. RUBIN: Just let me object. Object as  
23 lacks foundation.

24 THE WITNESS: Yeah, I think that you mean --

05:05:53 25 so did we discuss whether we should do it for technical

1 employees only or sales employees only or G&A employees  
2 only?

3 MS. DERMODY: Correct.

4 THE WITNESS: And we -- you know, the  
05:06:04 5 compensation team, Frank Wagner formed an opinion, but  
6 it was still at the call of our executive team to do  
7 whatever we did.

8 BY MS. DERMODY:

9 Q. And your compensation team supported the  
05:06:14 10 ultimate decision to make that change for all  
11 employees; is that correct?

12 A. Our opinion was that it would be a good thing  
13 and that it would increase employee retention. That  
14 was our -- that was our hypothesis.

05:06:39 15 (DEPOSITION EXHIBIT 1625 MARKED.)

16 BY MS. DERMODY:

17 Q. I'm going to pass you Exhibit 1625. That  
18 should have the number at the bottom 506628.

19 Do you see that?

05:06:56 20 A. I do. Thanks.

21 Q. And do you recognize this document?

22 A. Yes.

23 Q. And what is this?

24 A. This is one of many discussions of documents  
05:07:24 25 that we prepared for executive reviews, the OC review

1 related to what we called Project Big Bang.

2 Q. And was Project Big Bang what we were talking  
3 about earlier, the project that changed Google from  
4 having one compensation philosophy to another one?

05:07:46 5 A. Yes, it is the project that increased our  
6 competitive targeting for salary compensation and total  
7 cash compensation as well as the move to a more fixed  
8 from a more variable pay.

9 Q. On the first page -- sorry, the second page of  
05:08:05 10 the document, the first page of the proposal, as you  
11 look across the line here, is this reflecting what was  
12 ultimately adopted?

13 A. This proposal line right here, which is just  
14 in the intro section?

05:08:20 15 Q. Yes.

16 A. So the flat 10 percent; [REDACTED]

17 [REDACTED]

18 There's a ghost writing here, so it's hard to  
19 read these things.

05:08:38 20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED] [REDACTED]

05:08:57 25 [REDACTED]

1 [REDACTED]  
2 [REDACTED]  
3 A. Yes, I do.  
4 Q. Do you know what that means?  
05:10:39 5 A. [REDACTED]  
6 [REDACTED]  
7 Q. [REDACTED]  
8 [REDACTED]  
9 A. That's correct.  
05:10:51 10 Q. And was that adopted, that proposal?  
11 A. [REDACTED]  
12 Q. Yes.  
13 A. [REDACTED]  
14 Q. Okay. [REDACTED]  
05:11:08 15 A. That is correct.  
16 Q. Okay. On the third page, where it says "page  
17 3 of 3," at the top it says "Appendix."  
18 Do you see that?  
19 A. I do.  
05:11:19 20 Q. It says, "Total Compensation Proposal."  
21 And do you see where that is?  
22 A. Mm-hmm.  
23 Q. Can you --  
24 A. Sorry. Yes, yes. I'm sorry. I was nodding  
05:11:30 25 my head.

1 Q. You're perfect.

2 Can you walk me through this line here so I  
3 can understand what this reflects?

4 A. Yes.

05:11:37

5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]

05:11:57

10 [REDACTED]  
11 So what that indicated is that our salaries in  
12 the aggregate across all of Google would move from

13 [REDACTED] [REDACTED]  
14 [REDACTED]

05:12:16

15 [REDACTED] So that our increase in cost in total  
16 comp across, [REDACTED]

17 [REDACTED]  
18 [REDACTED]  
19 [REDACTED]

05:12:34

20 Q. Okay. [REDACTED]  
21 [REDACTED]

22 A. Yeah, [REDACTED]  
23 [REDACTED]  
24 [REDACTED]

05:13:01

25 (DEPOSITION EXHIBIT 1626 MARKED.)



1 BY MS. DERMODY:

2 Q. Passing you Exhibit 1626. This should have  
3 the number 416438.

4 Do you see that on the bottom?

05:13:26 5 A. Yes.

6 Q. And do you recognize this document?

7 A. Yes.

8 Q. And what is this?

9 A. So this is a document -- it's an e-mail and my  
05:14:00 10 response to a request from Alan Eustace about the  
11 impact of the Big Bang proposal on actual salaries and  
12 total cash -- or total compensation.

13 Q. And as indicated in the middle of this page,  
14 it appears that Mr. Eustace raised a question about the  
05:14:23 15 effect on paychecks that this proposal would have.

16 Is that a fair characterization?

17 A. He uses the term -- he calls it "paychecks."  
18 I think he means gross compensation, because it  
19 literally doesn't mean paycheck. I think of that as  
05:14:41 20 after tax, and I don't think that's what he meant here.

21 But it's about employee -- yes, the impact on  
22 employee pay.

23 Q. Okay. [REDACTED]

24 [REDACTED]

05:14:59 25 [REDACTED]

1 the HR business partners on this new compensation?

2 A. Yes, I would have.

3 Q. Okay. If you turn to the seventh page of the  
4 presentation, at the top it says, "Salary: Three types  
05:27:49 5 of increases."

6 Do you see that?

7 A. I do.

8 Q. And does this reflect the final decision about  
9 salary that was adopted in the Big Bang initiative?

05:28:00 10 A. Yes, that there were three types of increases  
11 as suggested in this -- on this slide, yes.

12 Q. And it says at the bottom of the same page,  
13 "New base salaries will be effective January 1, 2011."

14 Do you see that?

05:28:15 15 A. Yes.

16 Q. And is that the date that this actually was  
17 implemented?

18 A. That's the date salary changes were effected.

19 Q. And then on page 10 of this presentation, it  
05:28:37 20 should say "Equity."

21 Do you see that?

22 A. Yes.

23 Q. Does this reflect what the change was to the  
24 equity compensation part of total compensation?

05:28:49 25 A. The first two bullets are accurate. The

1 first -- the third bullet was not fully accurate.

2 Q. And how -- what was different from the third  
3 bullet of what was finally adopted?

4 A. [REDACTED]

05:29:06

5 [REDACTED] [REDACTED]  
6 [REDACTED]

7 Q. Okay.

8 (DEPOSITION EXHIBIT 1629 MARKED.)

9 BY MS. DERMODY:

05:29:41

10 Q. I'm going to pass you Exhibit 1629. This  
11 should have the number at the bottom 509662.

12 Do you see that?

13 A. Yes.

14 Q. And do you recognize this document?

05:30:04

15 A. Yes.

16 Q. And what is this?

17 A. This is a note from a member of my team  
18 regarding the actual salary spend for Big Bang relative  
19 to our preliminary estimates.

05:30:33

20 Q. And does this reflect that the ultimate cost  
21 of this program was 615 million?

22 A. That's what is -- that's what it says here,  
23 yes.

24 Q. Do you have reason to believe that it was  
05:30:50 25 anything different than that?

1 A. I don't.

2 Q. Okay.

3 (DEPOSITION EXHIBIT 1630 MARKED.)

4 BY MS. DERMODY:

05:31:01 5 Q. I'm passing you Exhibit 1630. The document on  
6 the front should say INTUIT 39083.

7 Do you see that?

8 A. It does.

9 Q. Okay. And the second e-mail on the first page  
05:31:36 10 is from Mr. Setty to the L-team, and it copies you.

11 Do you see that?

12 A. I do.

13 Q. And that's from April 25th of 2011; is that  
14 right?

05:31:45 15 A. Correct.

16 Q. Do you recognize this document?

17 A. Yes.

18 Q. Okay. And what is this?

19 A. This is a summary of compensation changes that  
05:32:03 20 Microsoft made in 2011.

21 Q. And as indicated on this document, does it  
22 reflect that Microsoft in part followed what Google was  
23 doing in terms of Google's compensation at the start of  
24 2011?

05:32:19 25 MR. RUBIN: Objection. Vague, lacks

## REPORTER'S CERTIFICATE

I, Anne Torreano, Certified Shorthand Reporter licensed in the State of California, License No. 10520, hereby certify that the deponent was by me first duly sworn, and the foregoing testimony was reported by me and was thereafter transcribed with computer-aided transcription; that the foregoing is a full, complete, and true record of said proceedings.

I further certify that I am not of counsel or attorney for either or any of the parties in the foregoing proceeding and caption named or in any way interested in the outcome of the cause in said caption.

The dismantling, unsealing, or unbinding of the original transcript will render the reporter's certificates null and void.

In witness whereof, I have subscribed my name this 18th day of March, 2013.

☐ Reading and Signing was requested.

☐ Reading and Signing was waived.

☒ Reading and Signing was not requested.

\_\_\_\_\_  
ANNE M. TORREANO, CSR No. 10520